



General Assembly

February Session, 2014

Raised Bill No. 393

LCO No. 1625



Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:
(INS)

***AN ACT CONCERNING CONDOMINIUM ASSOCIATION LEASING
RESTRICTIONS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 47-261b of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2014*):

3 (a) At least ten days before adopting, amending or repealing any
4 rule, the executive board shall give all unit owners notice of: (1) The
5 executive board's intention to adopt, amend or repeal a rule and shall
6 include with such notice the text of the proposed rule or amendment,
7 or the text of the rule proposed to be repealed; and (2) the date on
8 which the executive board will act on the proposed rule, amendment
9 or repeal after considering comments from unit owners.

10 (b) Following adoption, amendment or repeal of a rule, the
11 association shall give all unit owners notice of its action and include
12 with such notice a copy of any new or amended rule.

13 (c) Subject to the provisions of the declaration, an association may

14 adopt rules to establish and enforce construction and design criteria
15 and aesthetic standards. If an association adopts such rules, the
16 association shall adopt procedures for enforcement of those rules and
17 for approval of construction applications, including a reasonable time
18 within which the association must act after an application is submitted
19 and the consequences of its failure to act.

20 (d) A rule regulating display of the flag of the United States must be
21 consistent with federal law. In addition, the association may not
22 prohibit display, on a unit or on a limited common element adjoining a
23 unit, of the flag of this state, or signs regarding candidates for public or
24 association office or ballot questions, but the association may adopt
25 rules governing the time, place, size, number and manner of those
26 displays.

27 (e) Unit owners may peacefully assemble on the common elements
28 to consider matters related to the common interest community, but the
29 association may adopt rules governing the time, place and manner of
30 those assemblies.

31 (f) An association may adopt rules that affect the use of or behavior
32 in units that may be used for residential purposes, only to:

33 (1) Implement a provision of the declaration;

34 (2) Regulate any behavior in or occupancy of a unit which violates
35 the declaration or adversely affects the use and enjoyment of other
36 units or the common elements by other unit owners; or

37 (3) [Restrict] Prior to January 1, 2015, restrict the leasing of
38 residential units to the extent those rules are reasonably designed to
39 meet underwriting requirements of institutional lenders that regularly
40 make loans secured by first mortgages on units in common interest
41 communities or regularly purchase those mortgages, provided no such
42 restriction shall be enforceable unless notice thereof is recorded on the
43 land records of each town in which any part of the common interest

44 community is located. Such notice shall be indexed by the town clerk
45 in the grantor index of such land records in the name of the
46 association. If an association's declaration has not been amended as set
47 forth in subparagraph (A) of subdivision (12) of section 47-224, as
48 amended by this act, by January 1, 2015, to include any leasing
49 restrictions that were adopted by rule under this subdivision prior to
50 January 1, 2015, the executive board shall notify the town clerk of each
51 town in which any part of the common interest community is located
52 to request removal of the notice of such restriction from such land
53 records.

54 (g) An association's internal business operating procedures need not
55 be adopted as rules.

56 (h) Each rule of the association must be reasonable.

57 Sec. 2. Section 47-224 of the general statutes is repealed and the
58 following is substituted in lieu thereof (*Effective October 1, 2014*):

59 (a) The declaration shall contain:

60 (1) The names of the common interest community and the
61 association and a statement that the common interest community is
62 either a condominium, cooperative or planned community;

63 (2) The name of every town in which any part of the common
64 interest community is situated;

65 (3) A legally sufficient description of the real property included in
66 the common interest community;

67 (4) A statement of the maximum number of units that the declarant
68 reserves the right to create;

69 (5) In a condominium or planned community, a description of the
70 boundaries of each unit created by the declaration, including the unit's
71 identifying number or, in a cooperative, a description, which may be

72 by surveys or plans, of each unit created by the declaration, including
73 the unit's identifying number, its size or number of rooms and its
74 location within a building if it is within a building containing more
75 than one unit;

76 (6) A description of any limited common elements, other than those
77 specified in subdivisions (2) and (4) of section 47-221, as provided in
78 subdivision (10) of subsection (b) of section 47-228 and, in a planned
79 community, any real property that is or must become common
80 elements;

81 (7) A description of any real property, except real property subject
82 to development rights, that may be allocated subsequently as limited
83 common elements, other than limited common elements specified in
84 subdivisions (2) and (4) of section 47-221, together with a statement
85 that they may be so allocated;

86 (8) A description of any development rights, as defined in
87 subsection (14) of section 47-202, and other special declarant rights, as
88 defined in subsection (29) of section 47-202, reserved by the declarant,
89 together with a legally sufficient description of the real property to
90 which each of those rights applies and a time limit within which each
91 of those rights must be exercised;

92 (9) If any development right may be exercised with respect to
93 different parcels of real property at different times, a statement to that
94 effect together with (A) either a statement fixing the boundaries of
95 those portions and regulating the order in which those portions may
96 be subjected to the exercise of each development right or a statement
97 that no assurances are made in those regards, and (B) a statement as to
98 whether, if any development right is exercised in any portion of the
99 real property subject to that development right, that development right
100 must be exercised in all or in any other portion of the remainder of that
101 real property;

102 (10) Any other conditions or limitations under which the rights

103 described in subdivision (8) of this subsection may be exercised or will
104 lapse;

105 (11) An allocation to each unit of the allocated interests in the
106 manner described in section 47-226;

107 (12) (A) (i) Any restrictions [(A)] on alienation of the units, including
108 any restrictions on leasing, [which exceed the restrictions on leasing
109 units which executive boards may impose pursuant to subdivision (2)
110 of subsection (c) of section 47-244,] provided any such restrictions on
111 leasing shall be reasonably designed to meet underwriting
112 requirements of institutional lenders that regularly make loans secured
113 by first mortgages on units in common interest communities or
114 regularly purchase those mortgages. No restriction on leasing shall be
115 enforceable unless notice thereof is recorded on the land records of
116 each town in which any part of the common interest community is
117 located. Such notice shall be indexed by the town clerk in the grantor
118 index of such land records in the name of the association.

119 (ii) Any restriction on leasing that was adopted by rule prior to
120 January 1, 2015, pursuant to subdivision (3) of subsection (f) of section
121 47-261b, as amended by this act, and is intended to continue on and
122 after January 1, 2015, shall be included in the declaration. An
123 association shall not be required to record any notice of a restriction on
124 leasing that is adopted pursuant to this subparagraph if such
125 restriction was already recorded on the land records in accordance
126 with the provisions of subdivision (3) of subsection (f) of section 47-
127 261b, as amended by this act; and

128 (B) Any restrictions on the amount for which a unit may be sold or
129 on the amount that may be received by a unit owner on sale,
130 condemnation or casualty loss to the unit or to the common interest
131 community, or on termination of the common interest community;

132 (13) The recording data for recorded easements and licenses
133 appurtenant to or included in the common interest community or to

134 which any portion of the common interest community is or may
135 become subject by virtue of a reservation in the declaration; and

136 (14) All matters required by sections 47-225 to 47-228, inclusive,
137 sections 47-234 and 47-235 and subsection (d) of section 47-245.

138 (b) The declaration may contain any other matters not inconsistent
139 with this chapter that the declarant considers appropriate, including
140 any restrictions on the uses of a unit or the number or other
141 qualifications of persons who may occupy units.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2014</i>	47-261b
Sec. 2	<i>October 1, 2014</i>	47-224

Section 1	<i>October 1, 2014</i>	47-261b
Sec. 2	<i>October 1, 2014</i>	47-224

Statement of Purpose:

To require restrictions on leasing a condominium unit to be enacted under a condominium association's declarations rather than under its rules.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]